

**REPORT OF THE CONSULTATIVE MEETING WITH THE REPRESENTATIVES OF THE PEOPLE IN OSE AND OWO LOCAL GOVERNMENT AREAS OF THE STATE ON 2022-2024 MTEF AND 2022 BUDGET HELD AT SECRETARIAT HALL OWO LOCAL GOVERNMENT, OWO ON WEDNESDAY, 18<sup>TH</sup> AUGUST, 2021.**

**1.0. INTRODUCTION**

According to Section 22, Subsection 2 (a) and (b) of the Ondo State Fiscal Responsibility Law (2017), the inputs of the Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs), Organised Private Bodies, the vulnerable, among others must be sought while preparing the State's Medium Term Expenditure Framework (MTEF), with a view to including them in the yearly budget. To this end, the Ministry of Economic Planning and Budget had a consultative meeting with the people in Ose and Owo Local Government Areas of the state on Wednesday, 18<sup>th</sup> August, 2021 in order to harvest their inputs into the State's Medium Term Expenditure Framework (MTEF) which would lead to the 2022 budget.

**2.0. OBJECTIVES OF THE MEETING**

2.1. The main objectives of the meeting were as follows:

- i. Consulting on the macro-economic framework, the Fiscal strategy paper, the Revenue and Expenditure framework, the strategic, economic, social and development priorities of government;
- ii. harvesting inputs from the people of Owo and Ose Local Government Area in the State in order to include them in the 2022 budget.

**3.0. PARTICIPANTS**

3.1. The meeting which was under the chairmanship of the Acting Commissioner and Permanent Secretary, Ondo State Ministry of Economic Planning and Budget, Mr.

Bunmi Alade, had in attendance the Director, Development Planning, Mr. B. J. Daisi; the Director, Budget, Mr. Aworere Stephen; the Director, Finance and Admin, Mrs. Morayo Bayo-Philips; the Director, Monitoring and Evaluation, Alhaji Adekunle L. A.; the Director, Technical Assistance & Aid Coordination, Mr. Adebusoye Monday. Also in attendance were the Deputy-Directors of the Ministry of Economic Planning and Budget as well as a host of other members of staff of the Ministry. The people in Ose and Owo Local government areas which included the traditional rulers, market women, the CSOs, NGOs and CBOs were well represented at the meeting.

#### **4.0. WELCOME ADDRESS**

The Director, Monitoring and Evaluation, Alhaji Lateef Adekunle, welcomed the participants to the meeting. In his address, he noted that the parley heralded the series of consultative meetings that the State usually had with stakeholders during the preparation of the annual budget. He revealed that the thrust of the meeting was to harvest the input of the people in Ose and Owo Local government areas towards the preparation of 2022 Budget. He concluded the address by assuring the participants that their ideas and views would be accommodated, as usual, into the 2022 annual Budget.

#### **5.0. PRESENTATION ON 2021 BUDGET PERFORMANCE – SCORE CARD**

5.1 On the 2021 Mid-year Budget performance, the Permanent Secretary, Mr. Bunmi Alade, pointed out that Budget was a key policy instrument for allocating public resources among competing socio-economic needs; thus, involvement of stakeholders in crafting the Budget could not be overemphasized. He added that the Ondo State Budget processes had been undergoing improvement in recent times, in terms of preparation, implementation, monitoring and appraisal. As a result of this development, the State had been consecutively qualified in accessing the State Fiscal Transparency, Accountability

and Sustainability (SFTAS) Program for Results (PFR) grants since 2018. He joyfully announced that Ondo State was ranked the second best on Budgeting processes among the States in the nation for the year 2021. He reiterated the commitment of the present administration, under the leadership of Arakunrin Oluwarotimi Odunayo Akeredolu, *SAV* to fiscal transparency and accountability. He added that Mr. Governor had institutionalized the participation of the people of the State in the budget preparation processes in order to ensure inclusiveness, transparency and ownership of the annual budget. He, as well, posited that the budget preparation process would be cascaded to the Local Government Areas of the State. The Permanent Secretary, therefore, x-rayed the 2021 half-year Revenue and Expenditure performance as shown in the tables below:

Table 1. ***Revenue Performance***

<b>S/N</b>	<b>REVENUE CATEGORY</b>	<b>BUDGET</b>	<b>MID-YEAR TARGET N'B</b>	<b>MID-YEAR ACTUAL N'B</b>	<b>MID-YEAR PERFORMANCE (%)</b>
1	REVENUE FROM FEDERATION ACCOUNT	88.623	44.311	46.562	105.080
2	INDEPENDENT REVENUE (IGR) WITHOUT RRA	28.778	14.389	15.104	104.970
3	OTHER REVENUE SOURCES	57.472	28.736	5.772	20.080
	<b>TOTAL</b>	<b>174.873</b>	<b>87.437</b>	<b>67.437</b>	<b>77.130</b>

From the Table above, the State’s projections on the revenue from Federation Account and the Independent Sources were very accurate as the revenue from FAAC and IGR recorded over 100% each. It however did poorly on revenue from other sources which included grants, credits and other interventions from outside the State.

***Table 2. The 2020 and 2021 Mid-year Revenue performance compared***

S/N	Revenue Categories	2021 Mid-Year actual N'B	Performance %	2020 Mid-Year Actual N'B	Performance %	YOY % Performance
	Revenue From Federation Account	46,561,513,434.43	105.1	31,944,701,525.75	72.6	45.76
2.	Independent Revenue (IGR)	15,103,894,427.97	105.0	11,229,544,665.20	74.6	34.50
3.	Other Revenue Sources	5,771,646,861.03	20.1	11,741,487,520.88	29.3	(50.84)
	<b>Total</b>	<b>67,437,054,723.43</b>	<b>77.1</b>	<b>54,915,733,711.83</b>	<b>56.8</b>	<b>22.80</b>

Comparing the Revenue Performance of the mid-year 2020 and mid-year 2021, the State recorded 45.76% increase in FAAC revenue performance year on year while Independent Revenue performed 34.50% increase year on year. The poor performance of revenue from other sources was 50.84%. This was majorly due to low grants from donor partners occasioned by COVID-19 pandemic.

Table 3 ***Expenditure Performance***

S/N	EXPENDITURE CLASSIFICATION	BUDGET	MID-YEAR TARGET N'B	MID-YEAR ACTUAL N'B	MID-YEAR PERFORMANCE (%)
1	RECURRENT EXPENDITURE	79.084	39.542	26.897	68.020
2	CAPITAL EXPENDITURE	69.915	34.958	12.928	36.980
3	STATUTORY TRANSFERS	12.241	6.121	5.268	86.080
4	DEBT REPAYMENT	13.633	6.816	8.182	120.030
	<b>TOTAL</b>	<b>174.873</b>	<b>87.437</b>	<b>53.275</b>	<b>60.930</b>

On the expenditure side, there was a shortfall of about 40% as at the mid-year of 2021. Government's effort towards defraying the debt stock of the State was highly noticeable from the table above.

5.5. Concluding his presentation, he reiterated that the on-going projects in the State were at different stages of completion and were majorly high net worth investment that would impact on the lives of the future generation.

## **6.0. PRESENTATION ON THE 2022-2024 MTEF AND THE 2022 BUDGET**

6.1. Speaking on the 2022-2024 MTEF, the Director Budget, Ministry of Economic Planning and Budget, Mr. Aworere Stephen, informed the meeting of the macroeconomic indices upon which projections for 2022 to 2024 were based. The macroeconomic indices as predicted by the IMF World Economic Outlook included National Inflation, National Real GDP Growth, Oil Production and Price Benchmarks and Naira/Dollar Exchange Rate. They are as shown below.

**Table 4. 2022-2024 Macro-Economic Framework**

<b>Macro-Economic Framework</b>				
<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
National Inflation	11.98%	13.46%	12.05%	11.68%
National Real GDP Growth	3.00%	2.31%	2.30%	2.32%
Oil Production Benchmark (MBPD)	1.8600	1.8000	1.8500	1.9000
Oil Price Benchmark	\$40.00	\$60.00	\$72.01	\$75.53
NGN:USD Exchange Rate	379	410.25	410.25	410.25
<b>Other Assumptions</b>				
Mineral Ratio	36%	36%	38%	38%

He added that, having considered all sources of revenues to the State in year 2022, the State had proposed a total budget of N145.880 Billion as shown below:

**Table 5. 2022-2024 REVENUE/INFLOW PROJECTIONS**

<b>Recurrent Revenue</b>	<b>Proposed Budget 2022</b>	<b>Proposed Budget 2023</b>	<b>Proposed Budget 2024</b>
Statutory Allocation	33,242,755,924	33,921,792,141	34,800,434,084
Net Derivation	12,480,288,527	13,853,120,265	14,822,838,684

VAT	19,699,753,485	22,733,115,310	26,298,803,578
IGR	31,655,963,000	34,821,567,000	38,303,723,000
Excess Crude / Other Revenue	6,060,000,000	6,120,600,000	6,181,806,000
<b>Total Recurrent Revenue</b>	<b>103,138,760,937</b>	<b>111,450,194,717</b>	<b>120,407,605,346</b>
<b>Capital Receipts</b>			
Grants	6,632,200,000	2,990,500,000	3,229,500,000
Other Capital Receipts	6,200,000,000	8,000,000,000	7,000,000,000
<b>Total</b>	<b>12,832,200,000</b>	<b>10,990,500,000</b>	<b>10,229,500,000</b>
<b>Reserves</b>			
Contingency Reserve	2,074,882,702	1,061,958,019	1,313,011,993
Planning Reserve	1,031,387,609	1,114,501,947	1,204,076,053
<b>Total Reserves</b>	<b>3,106,270,312</b>	<b>2,176,459,967</b>	<b>2,517,088,047</b>
<b>Capital Expenditure</b>			
Discretionary Funds	12,022,743,324	7,736,652,316	11,790,216,349
Non-Discretionary Funds	21,376,525,000	5,784,800,000	6,023,800,000
<b>Financing</b>	<b>29,909,300,000</b>	<b>5,794,300,000</b>	<b>5,794,300,000</b>
<b>Total Budget Size</b>	<b>145,880,260,937</b>	<b>128,234,994,717</b>	<b>136,431,405,346</b>

He made mention that the 2022 budget had been radically structured to focus allocations to thirteen (13) sectors in the State. The table below shows the details of the sectoral allocation:

**Table 6. Sectoral Allocation of Capital Envelope**

Capital Expenditure by Sector		Total Capital Envelope	
No.	Sector	2022 Proposed Allocation	Percentage Allocation
1	ADMINISTRATION OF JUSTICE	1,178,228,845.79	3.53%
2	AGRICULTURAL DEVELOPMENT	2,296,119,465.95	6.87%
3	EDUCATION	3,806,629,552.07	11.40%

4	ENVIRONMENT AND SEWAGE MANAGEMENT	2,782,534,468.12	8.33%
5	GENERAL ADMINISTRATION	1,197,530,343.22	3.59%
6	HEALTH	2,210,083,076.63	6.62%
7	INFORMATION	215,207,105.51	0.64%
8	INFRASTRUCTURAL DEVELOPMENT	15,709,646,231.64	47.04%
9	LEGISLATIVE ADMINISTRATION	1,273,208,518.06	3.81%
10	PUBLIC FINANCE	630,909,732.98	1.89%
11	REGIONAL DEVELOPMENT	201,982,087.85	0.60%
12	COMMUNITY DEVELOPMENT	601,137,166.22	1.80%
13	TRADE AND INDUSTRY	1,296,051,730.37	3.88%
	<b>Total</b>	<b>33,399,268,324.42</b>	<b>100.00%</b>

6.2. Concluding his presentation on the 2020 – 2024 MTEF, Mr. Aworere stressed that, though the State Internal Revenue Service had been performing well, it would be needed to generate at least N60.0 Billion annually to be able to cover the State’s recurrent expenditure. He however submitted that while the State Government would not be able to accommodate all the desires of the people due to limited resources and paucity of funds, the State would not desist from satisfying the most prioritised needs of the people of Ondo State.

## **7.0. OBSERVATIONS/COMMENTS**

7.1. Reacting to the presentation, the participants commended the State Government for the initiatives to harvest the inputs of the relevant stakeholders in the State and as well thanked the management of the Ministry of Economic Planning and Budget for ensuring that some of their requests last year were accommodated in the current year budget.

They, therefore, commented/reacted as follows:

- i. that the bottlenecks towards the establishment of Port Ondo and the exploration of the Bitumen were not well escalated;
- ii. that the Fulani Herdsmen were still wreaking havoc at Idogun in Ose Local Government;

- iii. that the roads in Ire-akari of Ose Local Government were in bad conditions;
- iv. that subsistence farming was still the usual practice in the State;
- v. that the Secondary Schools in the State were at deplorable state;
- vi. that the Computer Hubs were not properly handed over to the Local Governments where they were located;
- vii. that the Local Government Councils were not allowed to generate revenue and borrow for developmental purposes;
- viii. that artisans and farmers in the rural areas were not properly reached;
- ix. that the Agric-Extension Officers could not be in Akure and be directing the affairs of farmers in the rural hinterlands;
- x. that there were no industries in the two Local Governments of Ose and Owo;
- xi. that the Citizens of the State in diaspora who could help with the many moribund industries in the State were not encouraged;
- xii. that the Agricultural Sector in the State was not performing as expected;
- xiii. that the funds that could be generated through the licensing of Ondo Number Plates had been taken over by the influx of Lagos Number Plates in the State;
- xiv. that the State lost some Greenery companies to Ekiti and Kogi State because the State did not have a contiguous land, and
- xv. that the market in Owo and Ose were not in good shape

## 7.2. **RECOMMENDATIONS**

- i. that the bottlenecks towards the establishment of Port Ondo and the exploration of Bitumen and other natural resources should be escalated to higher levels;



- ii. that the Fulani Herdsmen wreaking havoc at Idogun in Ose Local Government should be curbed;
- iii. that the roads in Ire-akari Community of Ose Local Government should be attended to urgently.
- iv. that 18 tractors should be procured and be distributed to complement the graders already purchased;
- v. that the Secondary Schools in the State should be renovated;
- vi. that the Computer Hubs should be properly handed over to the Local Governments where they were located;
- vii. that the Local Government Councils should be granted the desired autonomy to generate revenue and borrow for developmental purposes;
- viii. that demands and requests of artisans and farmers in the rural areas would be well catered for if the Local Government autonomy was granted;
- ix. that the recently signed Violence against Person Prohibition Law (2021) should be well implemented;
- x. that the Agric-Extension Officers should be engaged to help the farmers in the farm centres;
- xi. that government should establish industries in the two local governments of Ose and Owo where ceramics and other resources that could be used as raw materials for industries were available;
- xii. that the moribund industries in the State should be visited and revived through Public-Private Partnership;
- xiii. that the Agricultural Sector in the State should be seriously financed;


- xiv. that the licensing office should look into the influx of Lagos Number Plates in the State;
- xv. that the State should look into renovating the markets in Owo and Ose

## 8.0. CONCLUSION

8.1 After the vote of thanks delivered by Alhaji Lateef Adekunle, the Director, Monitoring and Evaluation, the Permanent Secretary thanked the participants from Owo and Ose Local Government Areas for their coming and constructive contributions. He, thereafter, re-echoed his commitment and promise to forward their views and recommendations to the Governor with a view to including them in the 2022 budget.

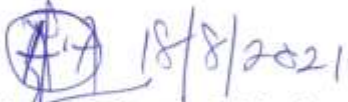
8.2 The Permanent Secretary finally reiterated the commitment of the present administration under the leadership of Arakunrin Oluwarotimi Akeredolu, *SAN*, to unremittingly work to lift the State to a high level of unequalled development among the States in the country.

  
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